PHILIP MORRIS
U.S.A.
120 PARK AVENUE, NEW YORK, N.Y. 10017-5592 TELEPHONE (212) 880-5000

March 6, 1996

Mr. Bill Lee
Executive Director
La Semana Alegre, Inc.
1719 Summerwood
San Antonio, Texas 78232-2334

FIVE-CONSECUTIVE WEEKENDS

La Semana Alegre 1996

Dear Mr. Lee:

26th MAY 25th SUNKEN GARDEN THEATER

This letter constitutes the agreement between Philip Morris Incorporated ("Philip Morris") and La Semana Alegre, Inc. ("Promoter"), regarding Philip Morris' sponsorship, on behalf of its **MARLBORO** brand of cigarettes, of La Semana Alegre 1996 (the "Event") to be held April ~~[illegible]~~ through ~~April 27~~, 1996 at the ~~Joe Freeman Coliseum and Fairgrounds~~ in San Antonio, Texas. The terms of our agreement follow.

• THE FIVE CONSECUTIVE WEEKENDS ARE AS FOLLOWS: April 26-2
MAY 3-4
MAY 10-
MAY 17-
MAY 24-

1. Sponsorship Rights. As the exclusive tobacco sponsor of the Event, Philip Morris will be entitled to the following:

(a) the right to hang two 4' x 8' banners on the east and west entertainment stages, and at other locations at the site of the Event to be mutually agreed upon by the parties;

(b) the exclusive right to conduct branded incentive distribution, couponing and tobacco sales, among smokers twenty-one years of age or older at promotional locations throughout the Event area;

(c) a 10' x 22' booth location, with the booth to be provided by Philip Morris and the location subject to the approval of Philip Morris, for the distribution of incentive items;

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(d) the exclusive right to conduct on-site tobacco sales among smokers twenty-one years of age or older from a 10' x 22' promotional booth, to be provided by Philip Morris at a location to be mutually agreed upon by the parties;

(e) three hundred complimentary admission tickets to the Event;

(f) VIP area passes for each night of the Event;

(g) the right to parking passes for parking locations acceptable to Philip Morris and worker passes in a quantity reasonably requested by Philip Morris, for each day of the Event; and

(h) the right to recognition in advertising placed and programs distributed in connection with the Event and to approve in advance all materials and announcements prepared by Promoter that mention Philip Morris or **MARLBORO**; provided, however, that such approval is effected on a timely basis.

Promoter will obtain all releases, licenses, permits, approvals, consents and other documents required in connection with the Event and for the performance of Promoter's duties under the Agreement and will advise Philip Morris in advance of any additional charges or fees that will be incurred in obtaining such releases, licenses, permits, approvals, consents and other documents.

2. Sponsorship Payment. For the rights and permissions granted under the Agreement, Philip Morris will pay Promoter an aggregate of $45,000. Philip Morris will pay Promoter (i) $22,500 upon submission by Promoter of an invoice within thirty days after execution of the Agreement and (ii) $22,500 upon submission by Promoter of an invoice on or before April 15, 1996.

3. Term. The term of the Agreement will commence upon its execution and continue through the completion of the Event. Philip Morris has the right to renew the Agreement, if the Event is held in 1997, upon written notice delivered to Promoter on or before December 2, 1996. If Philip Morris elects to renew the Agreement, all terms and conditions of the Agreement will be incorporated in any renewal, with the exception of appropriate date changes and payment terms. The parties will negotiate such terms in good faith and will memorialize their agreement in a separate writing.

4. Exclusivity. Promoter will not enter into any sponsorship agreements with any other manufacturer of cigarettes or other tobacco products, nor permit any signage or commercial identification of any other cigarettes or other tobacco products in connection with the Event, without the prior, written consent of Philip Morris.

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5. Independent Contractor. Promoter is and will remain an independent contractor and nothing in the Agreement will be construed to create a relation of principal and agent or employer and employee between Philip Morris and Promoter or any of its employees or agents.

6. Indemnity. Promoter agrees to indemnify and hold harmless Philip Morris, its affiliates and each of their respective officers, employees, directors and agents from any claim, liability, cost or expense, including reasonable attorneys' fees, that arise from or may be attributable to any error, omission or fault of Promoter. Promoter's obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

7. Ownership. All material prepared or developed by Promoter pursuant to the Agreement will become the property of Philip Morris, and Promoter hereby agrees to assign to Philip Morris any and all rights to copyright the material. Upon the acceptance by Philip Morris of any copyrightable material prepared by Promoter, Promoter at the request of Philip Morris will assign all of Promoter's right, title and interest in such material to Philip Morris and execute an assignment in a form acceptable to Philip Morris.

8. Confidentiality. Promoter, its employees and agents will hold strictly confidential the existence and terms of the Agreement and all information and materials provided by Philip Morris to Promoter or created or acquired by Promoter in performing the Agreement. Promoter will not use or disclose the existence or terms of the Agreement, the information or materials or any other confidential information unless authorized to do so in writing by Philip Morris. Upon the termination or expiration of the Agreement, Promoter will return all confidential materials to Philip Morris. Promoter's obligation to maintain confidentiality will survive the termination or expiration of the Agreement.

9. The **MARLBORO** Name. Promoter will have no right, title or interest in the **MARLBORO** name or the slogans, designs or logo-types associated with **MARLBORO** except the limited right to use pursuant to the Agreement. All use is subject to the advance approval of Philip Morris described in paragraph 1(h).

10. Insurance. Prior to the commencement of the Event, Promoter will deliver to Philip Morris certificates of insurance evidencing coverage for (i) comprehensive general liability, including advertiser and contractual liability, with limits of no less than $1,000,000 combined single limit for bodily injury, including personal injury, and property damage; (ii) comprehensive automobile liability, including all owned, non-owned and hired vehicles, with limits of no less than $1,000,000 combined single limit; and (iii) statutory workers' compensation coverage meeting all state and local requirements, including coverage for employer's liability with limits of no less than $500,000. The certificates of insurance required by subparagraphs (i) and (ii) must name Philip Morris, its affiliates, representatives,

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employees and assigns as additional insureds and must state that Philip Morris will be provided at least thirty days' prior, written notice of any cancellation or modification of the insurance. The insurance must be primary coverage without right of contribution from any other Philip Morris insurance. Insurance maintained by Philip Morris is for the exclusive benefit of Philip Morris and will not inure to the benefit of Promoter.

11. Termination. If any federal, state, municipal or local law, regulation, ordinance, order, ruling, judgment, consent decree or other governmental action becomes effective which makes the promotion of tobacco products as contemplated by the Agreement unlawful or impracticable or materially reduces the value of the Agreement to Philip Morris, the Agreement may be terminated by Philip Morris as of the date that the law, regulation, ordinance, order, ruling, judgment, consent decree or action becomes effective, and Promoter will refund to Philip Morris all amounts paid to Promoter by Philip Morris. Promoter may deduct from the refund all documented nonrecoverable costs properly incurred by Promoter and will immediately deliver documentation for all costs deducted.

12. Third Party Contacts. If at any time Promoter is contacted by a third party, including the media, other than as contemplated by the terms of the Agreement, concerning its activities on behalf on Philip Morris, Promoter will make no comment, immediately notify Philip Morris of the third party contact, and refer the third party to Philip Morris, Director, Corporate Affairs.

13. Notices. Any notice given under the terms of the Agreement must be in writing and delivered by United States certified mail, return receipt requested, postage prepaid, and if to Promoter, at the address set forth above, Attention: Mr. Bill Lee, and if to Philip Morris, to Philip Morris Incorporated, 120 Park Avenue, New York, New York 10017, Attention: Director, Events Promotions.

14. Miscellaneous.

(a) The Agreement and all matters collateral hereto, will be governed by the laws of the State of New York applicable to contracts made and to be performed entirely within the State of New York.

(b) Force Majeure, acts of God, or other causes beyond the control of either party delaying or causing the cancellation or delay of the Event will not subject Promoter or Philip Morris to any liability hereunder, except if, and to the extent, otherwise specifically provided herein.

(c) The Agreement may not be modified or amended except by a writing signed by both parties. No waiver of a breach of any term or condition of the Agreement

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will be deemed a waiver of any subsequent breach of such term or condition or any other term or condition or a general waiver.

(d) The Agreement may not be assigned by either party without the written consent of the other party. If an assignment occurs, the assignment will not relieve the assigning party of its liabilities or obligations under the Agreement.

(e) The Agreement sets forth the entire agreement between the parties and supersedes all previous oral or written agreements between the parties concerning the subject matter.

(f) If any provision of the Agreement is held invalid or unenforceable, the remaining provisions will remain in effect.

(g) Each party hereto will comply with all applicable laws, regulations and ordinances affecting its activities hereunder, including Title 15 U.S.C. §§ 1331 et seq.

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If the foregoing accurately sets forth our understanding, please signify your acceptance and agreement by executing the enclosed copies of this letter and returning them to the undersigned. We will forward one fully executed copy to you.

Very truly yours,

PHILIP MORRIS INCORPORATED

By: _____

Title: _____

ACCEPTED AND AGREED AS OF
THE DATE OF THIS LETTER:

LA SEMANA ALEGRE, INC.

By: _____
Bill Lee

Title: _____

Taxpayer ID No.: _____

Filing Status: _____

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